Floating of private sector banks

222. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received many applications from various Finance Companies seeking permission to float private sector banks;

(b) the names of the companies who have submitted proposals and whether permission has been granted to them; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) Reserve Bank of India (RBI) has reported that it has received 21 applications from various finance companies to set up new banks in the private sector, the names of which are given in the enclosed statement (*see* below). Out of these licences have been issued to two applicants viz. Centurion Bank Ltd. (promoter 20th Century Finance Corporation Ltd) and IndusInd Bank Ltd (promoter IndusInd Enterprises and Finance Ltd).

RBI has further reported that five applications have been rejected as the antecedents and functioning of these companies were not found to be satisfactory.

Statement

Request received from various financial companies to set up new banks of private sector

1. 20th Century Finance Corporation Ltd.
2. IndusInd Enterprises & Finance Ltd.
3. Peerless General Finance and Investments Ltd.
4. Sahara India Financial Corporation Ltd.
5. Ross Morarka Finance Ltd.
6. Padmaja Financial Services Ltd.
7. Raunaq Finance Ltd.
8. ITC Classic Finance Ltd.
9. Reliance Capital and Finance Trust Ltd.
10. Ispat Finance Ltd.
11. The CRB Capital Markets Ltd.
12. Diadam Investment & Finance Ltd.
13. Cox & King Finance Ltd.
14. Gujarat International Holdings Ltd.
15. Indian Seamless Financial Services Ltd.
16. Apple Industries Ltd.
17. Birla Growth Fund Ltd.
18. SREI International Finance Ltd.
19. Hathway Investments (Pvt.) Ltd.
20. Som Datt Finance Corporation Ltd.
21. Mahadev Leasing Company Ltd.

Introduction of Debt Relief Scheme

223. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be please to state:

(a) the date of the introduction of Debt Relief Scheme;

(b) the States where the scheme is being implemented;

(c) whether the scheme is being sponsored in Orissa; and

(d) if so, the fund released to that State from 1st January, 1994 till 30th June, 1995?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990, formulated by the Government of India came into force with effect from 15th May, 1990 and pertained to public sector banks and regional rural banks. It was implemented in all the states and Union

Territories in the country, including the State of Orissa. As far as co-operative institutions in Orissa are concerned a similar scheme was formulated by the State Government, which also came into force from 15th May, 1990.

(d) As far as public sector banks are concerned, claims preferred by individual banks were reimbursed by Reserve Bank of India (RBI) and funds were not released state-wise. As far as Regional Rural Banks, Cooperative Banks and State Land Development Banks are concerned, the funds were released by National Bank for Agriculture and Rural Development (NABARD). An amount of Rs. 18.61 crores and Rs. 1.63 crores was released as grant and loan respectively to institutions in Orissa by NABARD during the period 1st January, 1994 to 30th June, 1995.

नई शाखाएं खोलने के लिए शर्तें

224. **श्री राम गोपाल यादव:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या बैंक की नई शाखा खोलने के लिए कुछ विशेष शर्तें पूरी करनी पड़ती है; और

(ख) यदि हां, तो ग्रामीण और शहरी क्षेत्रों में नई शाखाएं खोलने के लिए पृथक-पृथक क्या शर्तें है?

वित्त मंत्रालय में राज्य मंत्री (श्री एम० वी० चन्द्रशेखर मूर्ति): (क) तथा (ख) भारतीय रिजर्व बैंक की मौजूदा नीति के तहत, अलग-अलग बैंकों पर यह निर्णय लेने का कार्य छोड़ दिया गया है कि वे अपनी ग्रामीण शाखाओं से संबंधित सेवा क्षेत्रों में अतिरिक्त शाखाएं खोलने के लिए संभावित केन्द्रों/गांवों का पता लगाएं। भारतीय रिजर्व बैंक आवेदक बैंकों के सेवा क्षेत्र के अन्तर्गत आने वाले केन्द्रों/गांवों में अतिरिक्त ग्रामीण शाखाएं खोलने के लिए ऐसे नए प्रस्तावों पर विचार करता है, जो संबंधित राज्य सरकारों द्वारा विधिवत अनुशासित हों। पिछड़े/पर्वतीय/जनजातीय/दूर-दराज के क्षेत्रों की विशिष्ट आवश्यकताओं को पूरा महत्व दिया जाता है। शहरी महानगरीय केन्द्रों के संदर्भ में, इन क्षेत्रों के बिना बैंक/कम बैंक वाले स्थानों में शाखाएं खोलने के लिए संभावित स्थानों का पता लगाने के लिए वर्ष 1990 के प्रारम्भ में आय किए गए थे और बाद में पता लगाए गये केन्द्र विभिन्न बैंकों को आवंटित कर दिए गए थे। शहरी/महानगरीय केन्द्रों में शाखाएं खोलने के लिए नए प्रस्तावों पर भारतीय रिजर्व बैंक द्वारा गुणावगुण के आधार पर विचार किया जाता है।

Losses incurred by nationalised banks

225. **SHRI PRAMOD MAHAJAN:**
SHRI VIREN J. SHAH:
SHRI SATISH AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) the names of nationalised banks, which pruned their losses during 1994-95;

(b) the amount of their losses during each of the last three years and the extent these banks have been able to bring down their losses;

(c) the extent of losses suffered by other nationalised banks during each of the last three years and steps banks have taken to reduce losses; and

(d) what is the amount of bad debt (i) recovered and (ii) written off by each nationalised bank during each of the last three years and till date and the reasons for writing off bad debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) the requisite information is given in the enclosed statement-I (*See* below). Reserve Bank of India has impressed upon the banks the need to strengthen their credit appraisal machinery and exercise close supervision and control over advances. Nationalised banks have been advised by RBI to prepare action plans on key areas of their working. Emphasis has also been laid on reduction of expenses.

(d) Amounts of bad debts written off by each of the nationalised banks during each of the last three years are given in the Statement-II. Information regarding recoveries and reasons for writing off of bad debts is being collected.